

*Registy***DCI****ROUTING AND RECORD SHEET**

SUBJECT: (Optional)

DCI Host Breakfast in Honor of Senator Bob Kasten
Thursday, 24 July, 8:00 a.m., DCI Dining Room

FROM:

David D. Gries
Director of Congressional Affairs

EXTENSION

NO.

DATE

23 July 1986

25X1
25X1

TO: (Officer designation, room number, and building)

DATE

RECEIVED

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OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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cc: DDCI
EXDIR
DDO
DDA
Comptroller

OCA 86-2124
23 July 1986

MEMORANDUM FOR: The Director
The Deputy Director

FROM: Dave Gries [redacted]

SUBJECT: Breakfast with Senator Kasten

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You are scheduled to have breakfast at 8:00 a.m. in the DCI Dining Room on Thursday, 24 July, with Senator Bob Kasten. Senator Kasten is a member of the Senate Appropriations Defense Subcommittee and as such is a key ally in moving our appropriations bill along. Also included in the breakfast are the DDCI, [redacted], Childs, [redacted] Donnelly and myself.

STAT

The purpose of the breakfast is to impress on Senator Kasten the importance you attach to the Subcommittee marking up our budget in August or September at a high level in order to establish leverage for the conference with the House. We know that the House plans to mark at a relatively low level.

Senator Kasten was your guest at a similar breakfast in March, 1985.

Attached is biographic information, talking points and the status of our authorization and appropriations bills as described in our weekly report of 20 June 1986.

Attachments
As stated

20 June 1986
OCA 86-2121

MEMORANDUM FOR: Director of Central Intelligence
FROM: Dave Gries
SUBJECT: Weekly Report

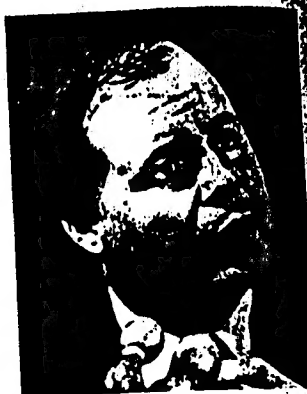
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The current status of the 87 Authorization bill is as follows. On the House side, HPSCI marked up its bill last month but has delayed the filing of the legislative report pending a resolution by House Armed Services of how much money will be authorized for DoD. The report will probably be filed next week. After filing, certain sections of the Authorization bill will be sequentially referred to House Post Office and Civil Service Committee, House Judiciary Committee, and House Armed Services Committee. The requirement for sequential referral means that the Bill will probably not come to the House floor until September.

On the Senate side, SSCI reported out its 87 Authorization bill on 21 May and sequentially referred it to four other committees (Armed Services, Judiciary, Foreign Relations, and Governmental Affairs) for a period of 30 "working" days. We are now half way through that period, and to date none of the committees has registered an objection to any of the legislative proposals in the bill. We expect the bill to get to the Senate floor in late July. By the way, Senator Leahy called Bob Gates yesterday to say that our requested authorization number is holding up in Armed Services.

Both the House and Senate appropriations bills are now in the respective defense subcommittees. Neither is yet scheduled for mark-up.

The Tribble Amendment to restore the "3 year rule" was rejected 57-42 on the Senate floor on Tuesday. The only remaining hope now is in the Conference Committee on the tax reform bill. Thus, the outlook is not good for the amendment.

*Wisconsin - Junior Senator***Bob Kasten (R)****Of Milwaukee — Elected 1980****Born:** June 19, 1942, Milwaukee, Wis.**Education:** U. of Arizona, B.A. 1964; Columbia U., M.B.A. 1966.**Military Career:** Air Force, 1967; Wis. Air National Guard, 1967-72.**Occupation:** Shoe company executive.**Family:** Single.**Religion:** Episcopalian.**Political Career:** Republican nominee for Wis. Assembly, 1970; Wis. Senate, 1973-75; U.S. House, 1975-79; sought Republican nomination for governor, 1978.**Capitol Office:** 110 Hart Bldg. 20510; 224-5323.

In Washington: Kasten had trouble getting people to take him seriously when he first came to the Senate. His baby-faced countenance, relatively undistinguished House career and habit of running for higher office at virtually every opportunity made many of his colleagues expect that he would not be a major force in writing legislation.

But after nearly a full term in the Senate, Kasten has shown that he has the determination and the tactical skill to prevail on important issues, even over the objections of the Republican leadership and administration. He has established himself as a significant player on tax, consumer and foreign aid legislation.

Even in the Senate, however, Kasten has not lost his taste for mounting electoral campaigns whenever he can. After briefly considering a run for Senate campaign committee chairman in 1982, he launched a prolonged and aggressive effort in 1984 to become majority whip in the 99th Congress — his sixth attempt in 14 years to win a new office or position. He ended up losing by a wide margin to the popular Alan K. Simpson of Wyoming.

Still, that defeat hardly erased the memory of Kasten's major triumph of 1983. Denounced as a tax cheater's champion, a shill for the nation's bankers and a proponent of "government by applause meter," Kasten persevered and won in 1983 as he crusaded to block tax withholding on income from interest and dividends.

Kasten's chief ally was a massive lobbying effort by the banking industry that induced savers to inundate congressmen with hundreds of thousands of letters and post cards calling for repeal of the withholding law, which would have required financial institutions to deduct

the tax money starting July 1, 1983.

Senate leaders and Reagan administration officials defended withholding, saying it would discourage tax evasion and help reduce the federal deficit. Finance Committee Chairman Robert Dole vowed to filibuster the repeal measure.

But Kasten threatened to attach it to vital legislation providing recession relief and bailing out Social Security. Eager to clear those two bills in March, the leadership agreed to let Kasten offer his withholding repeal in April as an amendment to a trade bill.

When the April debate began, it was apparent that Dole and Senate leaders did not have enough votes to prevent repeal. Kasten helped the leadership save face by agreeing to a compromise that kept the withholding law on the books, but delayed its implementation until 1987. Even then, it would take effect only if Congress approved, a step considered unlikely. The "compromise" quickly cleared Congress.

Since then, Kasten has set his sights on reshaping the tax code in a more fundamental way. He and Republican Rep. Jack F. Kemp of New York have cosponsored one of the best-known of the many "flat-tax" proposals before the 99th Congress. Their "Fair and Simple Tax" would replace the intricate structure of current tax laws with a single rate for all individual taxpayers — 25 percent. Virtually all deductions, other than for charity, home mortgage interest and personal property taxes, would be eliminated, although employed persons could exclude 20 percent of their wages up to about \$40,000.

Kasten's personal background made it natural for him to sympathize with bankers who

complained about IRS red tape and taxpayers overwhelmed by the complexities of their tax returns.

A man whose business experience came in a family shoe company, Kasten long has felt that government is prone to overburden business and the average American with regulations. From his post as chairman of the Consumer Subcommittee on Commerce, he has generally sided with those who would ease or lift government regulations.

The Federal Trade Commission frequently has been a Kasten target. In 1982, as a member of the Appropriations Committee, Kasten proposed cutting the agency's budget nearly \$11 million, to \$61 million. His proposal was defeated, although some cuts were made.

Kasten and South Dakota GOP Sen. Larry Pressler led the way in 1982 as the Senate vetoed an FTC rule requiring auto dealers to disclose to buyers known defects in used cars. Dealers complained that the rule would force them to make costly inspections to protect themselves against possible lawsuits, and Kasten said the rule was an unwarranted intrusion on states' rights. The FTC lost, 69-27.

States' rights is not always a cause to which Kasten rallies. In both 1982 and 1984, he persuaded the Commerce Committee to approve a bill setting a federal standard for product liability that would pre-empt state laws on the subject. Businesses and insurers endorsed Kasten's measure because they said diverse state liability laws make it difficult to contend with lawsuits seeking compensation for damages caused by defective products. But opposition from lawyers and consumer groups prevented the bill from coming to the Senate floor either year.

Kasten also has sought to expand the federal government's authority to regulate the safety of children's toys. He sponsored a bill, cleared by the 98th Congress, to speed recall of toys judged to be unsafe.

As chairman of the Appropriations Subcommittee on Foreign Operations, Kasten has played a key role in helping the administration change U.S. priorities in foreign aid spending. Reagan's goal — and Kasten's — is to provide more money for military assistance while holding the line on economic development aid.

Most importantly, Kasten has been a reliable administration ally on aid to El Salvador. Warning that the U.S.-backed government there could be defeated by leftist rebels without stepped-up aid, he fought throughout the 98th Congress for Reagan's requests for military and economic assistance. Aided by the popularity in Congress of newly elected Salva-

duran President José Napoleón Duarte, Kasten was able to obtain most of what Reagan wanted. By the end of the 1984 session, Kasten could take at least some of the credit for what he called a "bipartisan consensus" in support of the aid.

But Kasten does not always agree with the administration's aid policies, and has not hesitated to say so. He was sharply critical of Reagan's decision to send Stinger missiles to Saudi Arabia during a crisis in the Iran-Iraq war, calling the action "bizarre" and accusing administration officials of failing to consult adequately with Congress.

During his four years in the House, Kasten compiled a solid conservative record, straying only on environmental issues, as befits a member of the Audubon Society and the National Wildlife Federation.

As a member of the House Intelligence Committee, he played a role in a well-publicized decision to cite Secretary of State Henry A. Kissinger for contempt because he would not release classified documents to the committee. Later, however, Kasten became disillusioned with the committee and opposed making it permanent.

But Kasten's best-known work as a House member was political, not legislative. He was the author of the "Kasten plan," a system of precinct organizing for congressional campaigns.

At Home: Aggressive and determined, Kasten made it to the Senate after a methodical 10-year climb in which he ran for five different offices in six elections and rebounded with surprising agility from his one major defeat.

His early political successes earned him a reputation as the "Golden Boy" of Wisconsin's GOP. Kasten rose quickly from the state Senate in 1972 to Congress in 1975 and became the party's endorsed candidate for governor in 1978.

But his reputation was tarnished that year when he dropped the GOP gubernatorial primary to Lee Sherman Dreyfus, a colorful political novice whose entertaining oratory contrasted with Kasten's more reserved, serious style. In his effort to expand his renowned precinct operation to cover the entire state, Kasten spent so much time planning for the general election that he let the primary slip away.

After the unexpected 1978 loss, Kasten knew another failure in 1980 would probably end his political career. But with three unimpressive candidates offering the only opposition for the right to challenge Democratic Sen.

Bob Kasten, R-Wis.

Bob Kasten, R-Wis.

Gaylord Nelson, he felt it was too good an opportunity to pass up.

Kasten's 1980 campaign showed clearly that he had learned from mistakes made in 1978. Honing his operation for the GOP primary, Kasten focused his efforts in eight key counties — and came up a winner in all but one. His strength was concentrated in suburban Milwaukee, his old congressional district base.

Still, Kasten entered the 1980 general election campaign as the underdog against Nelson, one of the most successful politicians in Wisconsin history. A two-term governor and three-term senator, Nelson had held public office continuously since 1948.

Although Kasten launched his campaign late and trailed significantly in fund raising, he emerged a narrow winner. Many blue-collar Democrats in Milwaukee and the industrial Fox River Valley favored Kasten's calls for less government and lower taxes over Nelson's tra-

ditional liberal approach.

The nephew of a prominent Milwaukee banker, Kasten worked in a family shoe business before entering politics in the suburbs north and west of the city. After losing a state legislative election at age 28, he defeated a Republican state senator in 1972, then unseated U.S. Rep. Glenn Davis in a 1974 GOP primary.

After his primary loss to Dreyfus in 1978, Kasten took a break from politics to work with a Milwaukee real estate developer — an association that would come back to haunt him. In April of 1982, Kasten was slapped with a civil lawsuit by Wisconsin's securities commissioner for securities violations allegedly committed by the development firm during that time. Kasten resigned his general partnerships shortly thereafter; all charges against him were eventually dropped. One of his business associates, however, served a jail sentence.

Committees

Appropriations (10th of 15 Republicans)
Foreign Operations (chairman); Agriculture, Rural Development and Related Agencies; Defense; Energy and Water Development; Transportation and Related Agencies.

Budget (9th of 12 Republicans)

Commerce, Science and Transportation (8th of 9 Republicans)
Consumer (chairman); Merchant Marine; National Ocean Policy Study; Surface Transportation.

Small Business (7th of 10 Republicans)
Entrepreneurship and Special Problems Facing Small Business (chairman); Export Promotion and Market Development.

Voting Studies

Year	Presidential Support		Party Unity		Conservative Coalition	
	S	O	S	O	S	O
1984	74	21	83	13	87	11
1983	68	32	78	17	93	7
1982	77	22	83	16	88	12
1981	80	20	84	15	88	11
House service						
1978	21	29	44	11	38	12
1977	43	52	77	17	79	15
1976	63	35	79	19	83	15
1975	69	29	88	10	88	10

S = Support

O = Opposition

Elections

1980 General
Bob Kasten (R) 1,106,311 (50%)
Gaylord Nelson (D) 1,065,487 (48%)

1980 Primary
Bob Kasten (R) 134,586 (37%)
Terry Kohler (R) 106,270 (29%)
Douglass Cofrin (R) 84,355 (23%)
Russell Olson (R) 40,823 (11%)

Previous Winning Percentages: 1976* (66%) 1974* (53%)

* House Elections

Key Votes

Overturn Supreme Court decision legalizing abortion (1983) Y
Allow chemical weapons production (1983) Y
Create Martin Luther King Jr. holiday (1983) Y
Bar funding for MX missile (1983) Y
Permit school prayer (1984) Y
Cut military aid to El Salvador (1984) N
Keep tax indexing (1984) +
Retain funds for "Star Wars" defense research (1984) +
Authorize procurement of 21 MX missiles (1985) Y

Interest Group Ratings

Year	ADA	ACA	AFL-CIO	CCUS
1984	15	100	18	89
1983	10	89	13	79
1982	5	86	16	70
1981	10	70	16	83
House service				
1978	15	90	19	80
1977	20	81	17	76
1976	15	89	17	57
1975	21	89	22	82

Campaign Finance

	Receipts	Receipts from PACs	Expenditures
1980			
Kasten (R)	\$725,281	\$287,083 (40%)	\$686,758
Nelson (D)	\$919,546	\$387,939 (42%)	\$897,774

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